



GLOBAL  
CENTER ON  
ADAPTATION

# AFRICA ADAPTATION ACCELERATION PROGRAM



## ADAPTATION: THE ONLY SOLUTION TO AFRICA'S TRIPLE CRISIS

**Africa is on the frontline of the climate emergency.** Despite making great progress in the last two decades, African countries are now responding to multiple crises of food insecurity, conflicts, debt, climate shocks and the multi-faceted long-lasting economic impacts of the Covid-19 pandemic. Across Africa more than 280 million people are food insecure and the number is rising, including in the Horn of Africa due to the current protracted drought. African countries contribute the least to global warming, but they are one of the world's regions most threatened by the impact of climate change according to the IPCC's 2022 Sixth Assessment Report. The war in Ukraine has generated ripple effects across the world, which in turn are creating a tsunami of consequences for the most vulnerable people across the world – and especially in Africa. A compound crisis is manifesting today through acute food insecurities driven by escalating fuel costs and supply shortages. These overlapping challenges threaten to set the continent back and challenge the pandemic recovery.

**This is not the time to neglect climate action in Africa.** Climate shocks amplify the underlying vulnerabilities of African populations and the impacts of the war in Ukraine. Effective climate adaptation at scale is central to the future of Africa. When done right, adaptation generates significant opportunities for productivity, economic benefits, and poverty reduction. With swift and effective action across all sectors, Africa can move forward rapidly on a resilient and green growth pathway, harnessing the powerful synergies between adaptation, growth, and development. Finance is key to the success of integrated adaptation strategies in Africa. The continent needs \$33 billion a year in adaptation finance but only \$6 billion per year has been flowing.

**The Africa Adaptation Acceleration Program (AAP) is Africa's response to the impacts of the climate crisis.**

## AFRICA'S RESPONSE: THE AFRICA ADAPTATION ACCELERATION PROGRAM (AAAP)

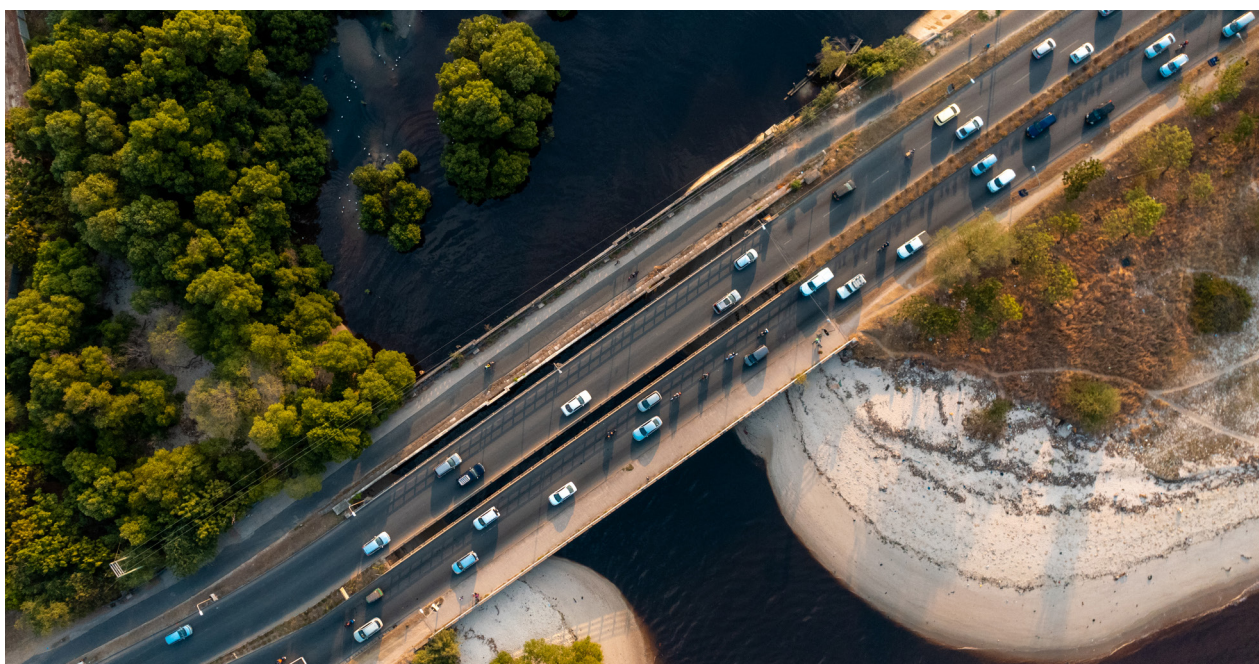
The AAAP is an Africa-owned and Africa-led response to the continent's expressed needs and priorities to reduce its vulnerabilities to climate change as well as harness the economic growth opportunities that result from effective climate adaptation.

African leaders have asked for this Program and have endorsed its objectives and design. The AAAP has benefitted from extensive consultations with African governments, development partners, NGOs and knowledge institutions, including through an Annual Partnership Forum. The AAAP has been endorsed at the largest-ever gathering of African Heads of State and Government focused on adaptation. The program has been welcomed by President Ali Bongo Ondimba of Gabon for actualizing the vision of the Africa Adaptation Initiative (AAI). No other adaptation initiative has achieved this level of consensus in the African continent.

Through the AAAP, the Global Center on Adaptation (GCA) and the African Development Bank (AfDB) are currently mobilizing \$25 billion by 2025 to accelerate adaptation action in Africa through interventions in four priority areas/pillars: food security, resilient infrastructure, youth entrepreneurship and job creation, and innovative climate adaptation finance. The AfDB committed \$12.5 billion of its capital to the AAAP from its launch, with the proposed **African Development Fund's climate action window** set to avail additional dedicated, efficient and affordable climate finance to Africa's most vulnerable and least adaptive countries to climate change.

The Program is supported by the **AAAP Upstream Financing Facility**. This Facility supports African countries and financing institutions by bringing the best knowledge, science, and practice to the development of innovative adaptation projects. This Upstream Financing Facility finances the work of GCA and its implementation partners, many of them African institutions, to design and mainstream adaptation and resilience components into the projects of multilateral development banks, other development financial institutions, and bilaterals. The Facility supports research, monitoring for rapid extraction and replication of lessons, knowledge sharing, capacity building, and policy support. The Facility helps the design of transformational adaptation shifts at the country level. Finally, it also supports the mobilization of additional financing for climate adaptation in Africa.

**During the first 18 months of operation, this Facility has influenced investments worth over \$3 billion.** The influencing ratio of the AAAP Upstream Financing Facility is 1:100. One dollar invested in the Facility leads to \$100 influenced to bring the best adaptation solutions to Africa. The Upstream Financing Facility is mobilizing \$250 million over five years to support the \$25 billion of investments of the AAAP.



## AAAP'S FOUR PILLARS

The AAAP focuses on four transformational pillars: agriculture and food security, infrastructure, youth, and finance. These pillars were derived from the top priorities identified in the Nationally Determined Contributions, National Adaptation Plans, and other national and regional climate change strategies. The AAAP focuses on areas where investments in adaptation and resilience building can yield high economic dividends for African nations and can accelerate the achievement of the Sustainable Development Goals. The four pillars of the AAAP are:

- **Climate-Smart Digital Technologies for Agriculture and Food Security:** with a goal to scale up access to climate-smart digital technologies, and associated data-driven agricultural and financial services for at least 30 million farmers in Africa, supporting food security in 26 African countries, and reducing malnutrition for at least 10 million people. This program is designed to integrate several initiatives to build climate-smart agriculture and resilient food systems in the region.
- **African Infrastructure Resilience Accelerator:** with a goal to scale up investment for climate-resilient urban and rural infrastructure in key sectors such as water, transport, energy, and waste management to help the continent close the infrastructure gap and ensure the services supported by infrastructure are resilient to the growing shocks of climate change. The program aims to mainstream innovative climate resilience solutions into \$7 billion worth of infrastructure investments.
- **Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience:** with a goal to support one million youth with entrepreneurship skills and job creation. This pillar aims at creating millions of new jobs in climate adaptation, half of them for women. The program supports developing skills and knowledge in adaptation, promoting equality and equal opportunities, building the entrepreneurial capacity of African youth, and facilitating access to funding and mentorship to youth-led businesses, half of which will be women-led, in the adaptation space.
- **Innovative Financial Initiatives for Africa:** with a goal to build the capacity of African countries to drive adaptation at a much greater scale by planning differently and accessing the key sources of adaptation finance. In addition, this AAAP pillar will support the design of innovative public and private financial instruments, ranging from resilience bonds and debt-for-resilience swaps to aggregation mechanisms for adaptation investment assets and monetization of adaptation benefits.

The four pillars are closely interlinked to achieve the transformational shifts in adaptation that African nations need. For example, all pillars support the resilience of food systems to reduce food insecurity. In addition to the first core pillar on agriculture and food security, the second pillar enhances the transportation system resilience (from ports to roads) to ensure the continuity of transport from farms to markets and homes despite growing climate shocks. The third pillar supports the creation of youth-led adaptation enterprises that will provide critical services to farmers to make their production more resilient. Finally, the fourth pillar is developing innovative financial instruments and mobilizing additional resources for resilient agricultural programs.





## AAAP'S PARTNERS FOR ACTION AT SCALE

The AAAP Upstream Financing Facility works with three categories of core partners to achieve the Program goals at scale. These three groups of partners are:

- **Development Finance Institutions and Multilateral Development Banks:** The Upstream Financing Facility supports the design of adaptation mainstreaming in large-scale programs and projects financed by Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs). The operational model has been tested and enhanced working with the African Development Bank and the World Bank. The Upstream Financing Facility is expanding its work with the French Development Agency (AFD) and exploring with other partners. Partnership agreements have been signed with the European Investment Bank (EIB) and the International Fund for Agricultural Development (IFAD).
- **African institutions that seek access to global climate funding:** As part of the Finance Pillar of the AAAP, the Upstream Financing Facility supports the institutional strengthening of African national and regional organizations to access global climate finance. The Upstream Financing Facility supports the accreditation process and the preparation of strong adaptation proposals to mobilize funding from the Green Climate Fund (GCF). These activities touch 14 countries, including Senegal, Ghana, the Democratic Republic of Congo, and the Seychelles.
- **Private financial institutions interested in adaptation financing:** The Upstream Financing Facility seeks to leverage the capital of private sector investment and asset management firms to expand adaptation-specific asset classes in their financing instruments. GCA supports asset management firms such as Invesco, a \$1.6 trillion asset management firm looking for blended finance solutions to mobilize private sector investors to reduce the adaptation finance gap.

# INITIAL RESULTS OF AAAP PROJECTS

## Climate-Smart Digital Technologies for Agriculture and Food Security

The Climate-Smart Digital Technologies for Agriculture and Food Security Pillar aims at harnessing the powers of digital technological innovation and digitalization to improve agricultural productivity and strengthen climate resilience. The goal of this pillar is to achieve sustained uptake of digital adaptation solutions for at least 30 million farmers in Africa and to improve food security in 26 countries. Specific business lines of this pillar include: thought leadership on climate-smart digital technologies in agriculture; supporting the design, mainstreaming and adoption of climate-smart digital technologies into agriculture projects and programs; enhancing the capacity of relevant persons and institutions to implement projects with climate-smart digital technologies; and monitoring, evaluation and learning on the implementation of climate-smart digital solutions.

The pillar builds resilience into food security and rural wellbeing investment projects funded by different Multilateral Development Banks, beginning with the African Development Bank and the World Bank. Current projects under this pillar include regional and national projects on livestock, national adaptation, and food security resilience projects in different parts of Africa. As of June 2022, the pillar had influenced and leveraged Multilateral Development Bank projects that will benefit 4.7 million direct beneficiaries. In addition, the pillar is working on other investment projects estimated at \$1 billion.

For example, the **Program to Build Resilience for Food and Nutritional Security in the Horn of Africa** is designed to expand access to climate services to more than 1.3 million farmers and pastoralists, and access to digital advisory services to more than 750,000 farmers. The project aims to increase agricultural (crops and livestock) productivity by 30 percent.

Another example is the **Program for Integrated Development and Adaptation to Climate Change in the Zambezi Basin** which will lead to 400,000 farmers adopting climate-smart agriculture techniques and a 30 percent increase in adoption of digital climate advisory services. The **Ethiopia Food Security Resilience Project** is designed to support 2.4 million farmers in adopting resilience-enhancing technologies and practices, leading to a 15 percent reduction in food-insecure people in program targeted areas, and a 20 percent increase in yields of targeted crops in targeted households.





## African Infrastructure Resilience Accelerator

The African Infrastructure Resilience Accelerator covers Infrastructure and Nature-Based Solutions, climate adaptation in the water sector, and urban resilience. Specific focus areas delivered through this pillar include: the Public-Private Infrastructure Resilience Accelerator; national infrastructure risk and resilience programs; Nature-Based Solutions Investment Innovation Program; capacity building through a Climate Resilient Infrastructure Masterclass; Climate-Resilient Water Services; and a City Adaptation Accelerator.

The pillar builds resilience into infrastructure investments by delivering upstream analysis and support to develop information and metrics on climate hazards, exposure, and vulnerabilities to assets, services, and people. The technical assistance addresses key barriers to integrating adaptation and innovative Nature-Based Solutions to build resilience. Focused support for national and local governments helps develop climate-resilient infrastructure investment packages that will be financed through innovative financing instruments.

Currently, completed and ongoing projects under this pillar are spread across 18 countries. These projects, at a national and asset-level scale, cover multiple infrastructure sectors such as energy (renewable energy, transmission and distribution, mini-grids, etc.), transport (highways, railways, ports, etc.), and water (dams, water treatment plants, etc.).

For example, the **Freetown WASH and Aquatic Environment Revamping Program** aims to benefit an estimated 1.4 million people by providing climate-resilient and safe water service delivery. The project will further create over 2,700 jobs and restore the Freetown peninsula watershed, thereby reducing the impact of extreme climate events on living conditions. The support of the AAAP Upstream Financing Facility conducted vulnerability stress tests and climate hazards identification for the **Banjul Port 4th Expansion Project**, leading to the design of 20 adaptation options across physical, social and institutional measures. These resilience measures aim to mitigate economic damage to the port estimated at \$27 million. Finally, the Upstream Financing Facility supported the development of the **National Infrastructure Risk and Resilience Program in Ghana**, a roadmap that proposes 35 adaptation options for funders and investors to invest in Ghana's future. The analysis quantifies adaptation needs and helps to prioritize a pipeline of adaptation investment options that are being considered by the Government of Ghana and financiers.





## Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience

The Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience pillar aims to unlock the untapped potential of youth in Africa to drive resilience and green enterprise. The vision is to promote sustainable job creation at scale by 2025 through youth entrepreneurship and innovation for action in climate adaptation. Activities of this Pillar are built across the following business lines: strengthening environments that support youth-led climate adaptation entrepreneurship and youth participation in adaptation policies; scaling up youth innovations for climate action; building youth capacity for employability and unlocking access to finance; and mainstreaming “adaptation jobs” into Multilateral Development Banks’ operations and projects.

With a sustained joint vision to unlock a further \$3 billion in credit for adaptation action for innovative youth-owned enterprises, with a gender mainstreaming target of 50%, the Youth Pillar has so far funded entrepreneurs across the continent to scale their adaptation businesses as part of the **African Youth Adaptation Solutions Challenge (YouthADAPT Challenge)**. The sponsored adaptation solutions cut across the agriculture and waste management sectors, and across enterprises that are addressing on-ground climate challenges faced by vulnerable communities in their regions on the African continent. Some have seen their revenues rise by up to 50 percent since joining the accelerator; some have doubled their production capacity; and others are entering new markets.

The AAP Upstream Financing Facility is supporting the mainstreaming of adaptation jobs for youth in three African Development Bank-financed projects. In the **Digital and Creative Enterprise Program in Nigeria**, the Upstream Facility has helped identify opportunities to create climate adaptation-aligned jobs within the project, aiming at creating 165,600 direct jobs and 1,674,000 indirect jobs created over five years. The **Youth Enterprise Development and Capacity Building Project** aims to enhance employability and job creation for young women and men aged 18–35 years in South Sudan, creating at least 1,600 jobs and training at least 900 youth in business development and entrepreneurship in adaptation services. The **Nigeria Special Agro-Industrial Processing Zones Program** expects to accelerate the adoption of climate-smart agricultural practices to create at least 150,000 direct and indirect jobs.

## Innovative Financial Initiatives for Africa

The AAAP's Innovative Financial Initiatives (IFI) Pillar is developing and implementing financial instruments and mechanisms to support the implementation of adaptation actions by raising finance from various public and private financiers. This pillar answers a pressing need to address a steep deficit in funding for adaptation today in Africa. There is a lack of reliable and sustainable sources of finance for the adaptation programs and projects currently under development. Compared to the various types of financing instruments and grants that are available for climate change mitigation, there are few places where private and public sector project developers can get the necessary resources for adaptation. Further, most of the funds currently available for adaptation come from the public sector. To support the development of resilient green growth in Africa, there needs to be a step change by developing a deeper understanding of the needs and capabilities of the private sector.

The **Technical Assistance Program to Access and Leverage Climate Adaptation Finance** is helping countries to build capacity for adaptation finance planning and decision making; to support the accreditation of new and existing African Direct Access Entities; and to develop and submit a paradigm-shifting portfolio of adaptation projects and programs to international climate funds. The program is currently supporting 14 countries. The **Financial Tools Instruments and Mechanisms** offers technical assistance for structuring blended finance and capital markets solutions such as green bonds and private debt and equity funds or adopting adaptation taxonomy for traditional green lines of credit. Currently, GCA is supporting the upcoming Sustainable Sovereign Bond of the Government of Cote d'Ivoire to increase the share of adaptation investments in the bond use of proceeds. GCA also works with private asset management firms like Invesco to explore blended finance solutions to mobilize adaptation finance from private sector institutional investors at scale targeting the most vulnerable countries. The **African Green Financing Facilities Fund** is designed to help create and capitalize national green banks and national climate change funds in African countries. The African Development Bank has identified a pipeline of at least six countries with a clearly stated desire to create a green bank or a national climate change fund to help finance their adaptation needs.

# AFRICA ADAPTATION SUMMIT

## 5<sup>TH</sup> SEPTEMBER 2022, ROTTERDAM

Ahead of the landmark 'African COP' at Sharm El-Sheikh, GCA, in collaboration with the African Union, Africa Adaptation Initiative, African Development Bank, International Monetary Fund, and the Climate Vulnerable Forum, convened the **Africa Adaptation Summit** to lay the foundation for an adaptation breakthrough for Africa at COP27. This represented a historic opportunity for the global community to deliver on the Glasgow Climate Pact and the need to bridge the multibillion dollar a year gap in adaptation finance for Africa. Hosted at GCA's headquarters in the largest floating office in the world in the Netherlands, the Africa Adaptation Summit served as an action forcing platform to deliver commitments to the AAAP and its Upstream Financing Facility and to catalyze new coalitions of partners and initiatives to accelerate adaptation action at scale across Africa.

The Summit brought together global leaders from across governments, international organizations, multilateral development banks, central banks, the private sector, mayors, civil society, youth leaders, and other stakeholders to raise the ambition on adaptation action for the continent. African leaders outlined the most critical elements of the global community's response to the climate crisis that heavily affects Africa, including **H.E. Macky Sall**, President of Senegal and Chair of the African Union; **H.E. Nana Akufo-Addo**, President of Ghana and Chair of the Climate Vulnerable Forum; and **H.E. Félix Tshisekedi**, President of the Democratic Republic of Congo and Pre-COP27 Host.

The Summit also provided an opportunity to catalyze new coalitions of partners and initiatives to accelerate action on the ground across Africa, keeping up the momentum and elevating ambition on adaptation ahead of COP27.